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RUEHGH/AMCONSUL SHANGHAI 2323  
RUEHSH/AMCONSUL SHENYANG 6859  
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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 001604

SIPDIS

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SUBJECT: FORMER PRESIDENT CHEN SHUI-BIAN DETAINED ON  
CORRUPTION CHARGES

Classified By: AIT Director Stephen M. Young,  
Reasons: 1.4 (b/d)

¶1. (C) Summary: Former President Chen Shui-bian taken was taken into custody yesterday and sent this morning to the Taipei Detention Center where he is being held incommunicado. The Taipei District Court approved Chen's detention on grounds that he is suspected of committing corruption-related felonies that carry penalties exceeding five years in prison and that he might collude with accomplices if left free. According to the media, Chen may be indicted later this month or next month, at which time the details of the prosecutors' case will be made public. Reactions to Chen's arrest have fallen along partisan lines. DPP politicians have called for Chen to be given a fair trial, and they have argued that the government is attempting to discredit and humiliate the DPP by detaining Chen and other DPP officials. Some KMT legislators reacted gleefully yesterday but today the party has been subdued and circumspect in its comments. Chen's arrest did not come as a surprise, and so far, public reactions have been limited. End Summary.

¶2. (SBU) Former President Chen Shui-bian was taken into custody following a fifth and lengthy final round of questioning by the special prosecutors unit on November 11. As he was being escorted out of the prosecutors' office, a defiant Chen showed off his handcuffs to the media, shouting, "political persecution." The prosecutors took Chen to the Taipei District Court to request approval that he be detained incommunicado. This court session was interrupted after Chen asserted that a bailiff had injured him when departing the prosecutors' office. After spending time at the National Taiwan University hospital to check on his injuries, Chen reappeared at the court, which early this morning (Nov. 12) approved the prosecutors' request and sent Chen to the Taipei Detention Center. The Taipei District Court approved Chen's detention on the grounds that he is a potential defendant suspected of committing a series of felonies including embezzlement of public funds, graft and corruption, and money laundering that carry penalties exceeding five years in prison and that he might collude with accomplices if left free.

¶3. (C) The decision to detain Chen is consistent with Taiwan's criminal procedure law and is a move regularly used by prosecutors when winding up high-profile investigations.

Chen's lawyers can appeal the detention decision and they can seek his release on bail but such a move may not be successful. The next major step in the legal proceedings against Chen is likely to be a formal public indictment, which will specify all charges and requested sentences, and will lay out the prosecutors' arguments in considerable. According to media reports, the indictment against Chen may be issued either later this month or next month. According to the media, charges against Chen are likely to include embezzlement of monies from a special State Affairs Fund that was supposed to be used for "secret diplomacy," accepting bribes from businesspeople, and laundering of funds abroad. When Chen is indicted, he may be released on bail, remaining free until the conclusion of the three-stage trial process. The case against Chen is complex and his trial before a panel of three judges and, if convicted, his subsequent appeals, are likely to be protracted and subject to many legal maneuverings.

Chen Shui-bian Claims He is a "Political Prisoner"

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14. (C) During the weeks prior to his arrest, Chen had made a number of trips to his supporter strongholds in southern Taiwan, delivering impassioned speeches in which he denied that he had embezzled any money, claimed that he would become President Ma Ying-jeou's first political prisoner, and asserted that he would be honored to "carry the cross" for the Taiwanese cause. Chen had also urged his supporters to demonstrate on his behalf if he was jailed. On the day

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before his arrest, Chen told a press conference that he expected to be detained the next day. As he was entering the prosecutors' office, Chen bid farewell to his supporters, telling them he was headed to the "Bastille," and that he was a sacrificial offering by the KMT to "placate Chinese anger" over the recent demonstrations against Chen Yunlin. Thousands of police were deployed and a large number of barricades set up to prevent violent incidents between impassioned supporters and critics of the former president. In the event, however, the numbers of supporters and detractors turning out at the prosecutors' office and the court were quite small.

DPP Reactions

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15. (C) A number of DPP legislators accompanied Chen to the prosecutors' office, court, and hospital, and this morning the DPP caucus held a press conference. DPP legislators argued that the government's pre-indictment arrest and handcuffing of Chen was unwarranted, and was part of a pattern of efforts by the KMT government to discredit and humiliate the DPP. They noted a large number of similar recent detentions of current and former DPP officials (including two county magistrates and nine other persons connected to Chen's case), pointing out that the prosecutors have not taken such actions against KMT officials. The DPP argues that prosecutors misuse such detentions to try to pressure people into giving evidence against their will. Some legislators predicted the arrest of Chen will further polarize Taiwan's society. While criticizing the prosecutors and the KMT government, DPP legislators were careful to maintain their distance from Chen's legal problems, stressing their hope that judicial proceedings would be fair and impartial. This afternoon, DPP Chairperson Tsai Ing-wen issued a statement criticizing leaks by the prosecutors and prejudicial statements by President Ma and Justice Minister Wang that could turn the judiciary into a political tool. The statement also called on DPP supporters to remain calm and rational.

KMT Reactions

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¶6. (C) Some of the more outspoken KMT legislators reacted gleefully yesterday at news of Chen's arrest. Today, reactions by KMT officials have been much more circumspect. President Ma said the court's decision to detain Chen may serve as a lesson and reminder for all and that people should feel sad not happy. Ma also urged people to wait calmly for the court to deliver its final verdict. Some KMT leaders suggested that the Taiwan people should trust the judiciary and give it room to handle the case impartially and independently. Some KMT legislators expressed hope that Chen's detention would not increase confrontation between KMT and DPP supporters and that the DPP would not play up the issue for political purposes.

Comment

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¶7. (C) Over the past several months, many details of the supposedly confidential investigations of Chen have been leaked to the public through the pro-Blue media. As a result, the detention of Chen does not come as a surprise and Chen's claim that he is a political prisoner, not a corrupt politician, will have limited resonance. However, coupled with the numerous recent detentions of other current and past DPP officials and the DPP's demonstrations against the visit of the PRC's Chen Yunlin, Chen Shui-bian's arrest will fuel the DPP sense that the judicial process is currently being used by the KMT to intimidate the DPP. The new DPP leadership finds itself in an awkward position, since many privately concede that Chen may be guilty of some offenses, but the overall case is also seen as aimed at discrediting the party, forcing Tsai and other prominent DPP members to

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openly criticize the proceedings.  
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